

ATTACHMENT A TO FIRST AMENDMENT AGREEMENT

Exhibit G

To TEXAN 2000 – AT&T – EPID

Additional Terms and Conditions to TEXAN 2000 – AT&T – EPID.

- 1. Article II of the Contract is amended to add the following additional term:**

H. “Contract Administrator” means the individual appointed by DIR to administer this Contract on behalf of the State of Texas and the authorized QOEs.

- 2. Article IV of the Contract is amended to renumber the existing paragraph as “A” and to add paragraphs B. and C. as follows:**

B. Price Guarantees

For orders received for single units, vendor shall apply the discount and/or pricing as stated in this Agreement, as amended. For orders larger than one unit, vendor and QOEs may negotiate quantity price discounts below the discounts and/or pricing as stated in this Agreement, as amended. Specifically, CISCO products will be offered to QOEs at a 36% discount. All other manufacturers' products will be offered to QOEs at the originally stated discount, less 2%. Revised Table 1.1 reflects the new discounts.

Revised Table 1.1 Equipment Purchase Discounts

Equipment Purchase	Percent Discount Off Manufacturer's List Price (All Hardware)	Percent Discount Off Manufacturer's List Price (All Software)	Percent Discount Off Manufacturer's List Price (All Services)
Equipment Manufacturer			
Cisco	36%	36%	20%
Kentrox**	5% to 42%*	NA	0%
Larscom†	upto 28%*	NA	NA
Verilink	27%	NA	NA

Notes:

- Cables are not discounted.
- A restocking fee of 20% will apply to authorized orders when equipment is refused on delivery or when returned after delivery for reasons other than delivery damage or failure to meet AT&T's installation criteria.

* Depending on product Class.

** Please see Table 1.2 for specific product discounts.

*** AT&T Solutions assumes the QOE will be the owner of record for the hardware purchased. The QOE will pay the Maintenance charges to AT&T Solutions and AT&T Solutions will then pay the Maintenance Vendor. The QOE should request this maintenance at the time the equipment order is placed with vendor. Thereafter, the QOE will be responsible for contacting the Maintenance vendor directly for service. AT&T Solutions will not be involved in on-going maintenance operations for this equipment. AT&T Solutions may make available manufacturer's maintenance (e.g., Cisco's SmartNet) for equipment not under AT&T Solutions management.

N/A = Not Currently Available.

C. Administrative Fee

The Administrative Fee shall be included in the charges for the Goods and Services set forth in Exhibit F, the Clarification Document, on the website and quoted to QOE. Contractor's obligation to pay such amounts shall be suspended to the extent that its payment or collection violates any state or federal laws.

Contractor will pay DIR, on a monthly basis, the Fee based on a percentage of the Contractor's monthly gross sales to QOEs pursuant to this Attachment A. Payment is due based on sales, net of returns and

credits. Contractor will provide payment to DIR five (5) business days after the end of each month. The Administrative fee is based on 1% of each sale of CISCO Products and 2% of each sale of all other manufacturers' products.

3. Article IX of the Contract is amended to add paragraphs N. through II. as follows:

N. Records and Audit.

- a) Contractor shall maintain adequate records to establish compliance with the Administrative Fee obligation under this Contract until the later of a period of four years after termination of this Contract or until full, final and unappealable resolution of all audit or litigation issues that arise under this Contract. Such records shall include documentation of the date each QOE placed an order, identification of the ordering QOE, the product, part number, and quantity ordered, including the name of the product and the publisher or manufacturer of the product, the price quoted to the QOE for such order, the QOE purchase order number, the order date, the ship date, billing address, the invoice sent to the QOE relating to the order, and the calculations supporting each administrative fee owed DIR under this Contract and such other documentation as DIR may require.
- b) Contractor shall grant access to all paper and electronic records, books, documents, accounting procedures, practices, and any other items relevant to the performance of this Contract to DIR, the auditors designated by DIR, including auditors of the State Auditors' Office and of the United States, and such other persons or entities designated by DIR for the purpose of inspecting, auditing and/or copying such books and records. Copies and printouts requested by DIR shall be provided by contractor without charge. DIR shall provide contractor ten business day's notice prior to inspecting, auditing, and/or copying Contractor's records. Contractor's records, whether paper or electronic, shall be made available during regular office hours. Contractor personnel familiar with the Contractor's books and records shall be available to DIR staff and designees as needed to explain the books and records to the extent necessary for the audit or inspection to be performed. Contractor shall provide adequate office space to DIR staff during the performance of an audit. The parties agree that the purpose of any audit hereunder will be limited to the following:
 - 1) to ensure pricing of equipment to QOEs is in compliance with the contract;
 - 2) to ensure proper calculation and reporting of the administrative fee hereunder; and/or
 - 3) to complete the customer satisfaction assessment made by DIR from the invoices supplied by AT&T.

- c) In the event of a discrepancy between the amount determined by the Texas Comptroller of Public Accounts as having been paid to Contractor on behalf of a QOE and the amount Contractor calculates DIR's administrative fee provided for such QOE, the amount reflected by the Comptroller of Public Accounts shall be presumed correct unless Contractor can demonstrate to DIR's satisfaction that Contractor's calculation of DIR's administrative fee is correct.
- O. **Web Site Maintenance.** Contractor agrees to maintain and support an Internet website with Product pricing, configuration assistance, Product descriptions and Product specifications. Pricing on the Internet website shall include the DIR Administrative Fee.
- P. **Vendor Representative.** Vendor shall appoint a primary representative to work with the contract administrator to maintain, support and market this contract. DIR reserves the right to request a change in vendor's then-current primary representative if the assigned representative is not, in the opinion of the DIR, serving the needs of the State of Texas and the customers adequately.
- Q. **Confidentiality.** Contractor acknowledges that DIR is a government agency subject to the Texas Public Information Act. Contractor also acknowledges that DIR will comply with the Public Information Act and with all opinions of the Texas Attorney Generals' office concerning this Act.
- Under the terms of this Contract DIR may provide Contractor with information related to DIR QOEs. Contractor shall comply with all DIR Privacy Policy Guidelines, including, but not limited to, the requirement that Contractor shall not re-sell or otherwise distribute or release to any party in any manner DIR or QOEs' information.
- R. **FCC Certification.** Contractor agrees that machines supplied by Contractor comply with applicable FCC regulations.
- S. **Survival.** Warranty and Service agreements that were entered into between Contractor and a QOE under the terms and conditions of this Contract shall survive the termination of this Contract.
- T. **Notification.** Either party may give written notice to the other party in accordance with the terms of this paragraph. Any written notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery if delivered by personal service or hand delivery or three business days after being mailed.

To DIR:
Bill Peek
P.O. Box 13564
Austin, Texas 78711

To Contractor:
Kenneth G. Robinson
AT&T Corp.
1016 La Posada Drive
Austin, Texas 78752-3817

Either party may change its representative or address above by written notice.

U. Administration Reporting and Fees. Contractor agrees to provide monthly Contract utilization reports to the Go DIRect Coordinator in accordance with the following schedule. The reports will be due fifteen (15) business days after the end of each month.

- a) A detailed sales report will be issued monthly that includes no less than each QOE's, Order Date, Ship Date, Manufacturer, Quantity, QOE's Price, Extended Price, QOE's Purchase Order Number, Billing Address including zip code, and other information as required by DIR.
- b) Reports as required by DIR that will reflect the amount of work being subcontracted to Historically Underutilized Businesses, as defined by Texas State law.

All reports are to be submitted electronically as defined by DIR.

The failure to file the utilization reports and fees on a timely basis shall constitute grounds for suspension of the Contract or termination of the Contract for cause. Contractor's liability for any breach of this Section shall not under any circumstances exceed the amount of Administrative Fees owed to DIR by Contractor.

V. Contractor Certifications. Contractor certifies (i) it has not given, offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; (ii) it is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under § 31.006 of the Texas Family Code and acknowledges this Contract may be terminated and payment withheld if this certification is inaccurate; (iii) neither it, nor anyone acting for it, has violated the antitrust laws of the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage; (iv) it has not received payment from DIR or any of its employees for participating in the preparation of this Contract; and (v) during the term of this Contract, it will not discriminate unlawfully against any employee or applicant and that, upon request it will furnish information regarding its nondiscriminatory hiring and promotion policies, as well

as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

W. DIR Logo. Contractor may use the DIR logo in the promotion of this Contract to QOEs with the following stipulations:

~~(realign)~~

- a) The logo may not be modified in any way;
- b) When displayed, the size of the DIR logo must be equal to or smaller than the Contractor logo;
- c) The sole use of the DIR logo will be to communicate the availability of Software and Services available under this Contract to QOEs; and
- d) Any other use of the DIR logo requires prior written permission from DIR.

X. Technology Access, as required by § 2157.005, Texas Government Code. The Contractor expressly acknowledges and agrees that State funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, the Contractor represents and warrants to DIR and each QOEs purchasing products under this Contract that the technology provided hereunder is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology of: (1) providing equivalent access for effective use by both visual and nonvisual means; (2) presenting information, including prompts used for interactive communications, in formats intended for nonvisual use; and (3) being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical display and customizable display appearance.

Y. Commodity Software. Texas Government Code, § 2157.068 requires State Agencies to buy commodity software in accordance with contracts

developed by DIR unless the agency obtains a waiver from DIR. Therefore, Contractor agrees to coordinate all commodity software sales made coincident to this agreement through existing DIR contracts if available.

- Z. Dispute Resolution.** The dispute resolution process provided for in Chapter 2260, Texas Government Code, shall be used to attempt to resolve any claim for breach of contract made by the Contractor that is not resolved in the ordinary course of business.
- AA. Preference to Texas Products.** Vendor agrees to comply with Sections 2155.444 and 2155.4441, Texas Government Code.
- BB. Training.** The Contractor may be required to provide product overview training to DIR at no cost. The training will be held within the Austin area at times acceptable to DIR.
- CC. Ability to Conduct Business in Texas.** The Contractor is an entity authorized and validly existing under the laws of its state of organization, is authorized to do business in Texas, and is not in default as to taxes owed to the State of Texas or any of its political subdivisions.
- DD. Vendor is QISV.** Contractor is a "Qualified Information Systems Contractor" as defined in § 2157.001, Texas Government Code. All Information Resources Technologies offered to QOEs under this Contract are listed in Contractor's catalogue on file with the General Services Commission.
- EE. Suit Or Pending Proceedings.** To the best of the Contractor's knowledge and belief, there are no suits or proceedings pending or threatened against or affecting the Contractor, which if determined adversely to the Contractor will have a material adverse effect on the ability of the Contractor to fulfill its obligations under the Contract.
- FF. Trade Shows.** Vendor understands and agrees that it must participate fully by providing a staffed booth display or similar presence at no less than two trade shows or similar functions sponsored by DIR each calendar year, at Vendor's expense. Vendor agrees to display the DIR logo at all trade shows directed toward entities that qualify as DIR customers.
- GG. Shipment and Risk of Loss.** The QOE may request expedited shipping for an additional charge.

HH.Impracticability of Performance. A QOE may terminate a Purchase Order for convenience under Article VI C., if it is determined by the QOE that Vendor will not be able to deliver product or services in a timely manner to meet the business needs of the QOE.

II. Handling of Written Complaints. In addition to other remedies contained in this Contract, a person contracting with DIR may direct their written complaints to the following office:

Public Information Office
Department of Information Resources
ATTN: Matt Kelly
300 W. 15th Street, Suite 1300
Austin, Texas 78701
Telephone: (512) 936-6550
Fax: (512) 475-4759
Email: matt.kelly@dir.state.tx.us

Executed to be effective as of the date of the last party to sign.

Department of Information Resources

AT&T Corp.

By: Patrick W. Hogan

By: M E Caro

Name: Patrick W Hogan

Name: Mary Ellen Caro

Title: Director

Title: Vice President

Date: 9/6/02

Date: 8/22/02

OK
8/22/02

RF